

11. CONCLUSIONS

In the absence of comparable data from prior, similar studies of the Palau economy, the conclusions that one can draw from the preceding pages are limited to the period covered by the HIES. Subsequent surveys of income and expenditures in the republic will remove this

Table 41. Non-food Items Purchased by Rural Households During Survey Weeks, by Major Category: 1991

Non-food Category	Households		Amount		
	Number	Percent	Number	Percent	per HH
Total.....	106	100.0	\$8,685	100.0	...
Clothing.....	38	35.8	\$1,045	12.0	\$28
Transportation.....	49	46.2	\$1,808	20.8	\$37
Alcoholic beverages.....	23	21.7	\$1,193	13.7	\$52
Tobacco products.....	98	92.5	\$2,226	25.6	\$23
Entertainment.....	8	7.5	\$208	2.4	\$26
Services.....	5	4.7	\$51	0.6	\$10
Miscellaneous.....	24	22.6	\$584	6.7	\$24
Palau-oriented purchases	61	57.5	\$1,570	18.1	\$26

Source: 1991 Household Income and Expenditures Survey, Republic of Palau

Notes: Totals under households refer to total rural households that completed diaries; figures under amount refer only to those households that purchased a specified item.

"Miscellaneous" includes stationary supplies, medicine, fishing equipment, and assorted regular expenses (utility bills, school tuition, etc.); "Palau-oriented Purchases" consist of items specific to Palau (and some other Pacific Islands), such as betelnut, kebui, and so on.

constraint, enabling comparisons over time and the identification of income and expenditure trends. But for the present, conclusions must adopt a synchronic perspective -- focusing on the demographic composition and economic characteristics of Palau as a whole, or upon comparisons between different parts of the republic.

Many of the insights gained from the examination of demographic data collected during the HIES generally reflect trends documented in the most recent decennial census (U.S. Bureau of the Census, 1992) and revealed in the analysis of this census (OPS, 1993). A survey sample consisting of fewer young individuals contrasts with what one would expect from most of Micronesia. However, given the relatively low fertility in Palau and the current international migration trends such an age structure is not unexpected. One possible weakness of the HIES was that it apparently missed many migrants, especially males, who probably resided in group quarters in Airai and (especially) Koror states. Because over the past decade non-Palauans have come to play an increasingly important role in the republic's economy, HIES results may be incorrectly skewed in favor of Palauan households.

Geographical comparisons of the data resulting from the HIES constantly encountered the dominant presence of Koror State, as do analyses of virtually any information collected from individual states in Palau. Nevertheless, the tendency for Koror and (to a lesser extent) Airai states to feature *more modern* economic patterns often persists when compared to the remaining states considered in the

HIES -- for instance, in the presence of particular business activities (see Table 21) or patterns of personal income (see Table 22). One should expect such trends given the more urban character of these two jurisdictions, with Koror City long the most economically developed settlement in the republic and Airai the fastest growing state in Palau during the 1980s (see U.S. Bureau of the Census, 1992).

Many comparisons in the above study contrast urban (Airai and Koror states) and rural characteristics. Differences emerge in most of these comparisons, once again preserving general expectations about the greater expense and income associated with urban life compared to rural life. But contrasting these two components of Palau and Palau society also present certain surprises -- both in their similarities (e.g., housing and utility costs composing roughly equivalent proportions of regular expenditures in both rural and urban settings; see Tables 28 and 29) and in their differences (e.g., much more money spent per household food, tobacco, and alcohol in rural households than urban households; see Tables 40 and 41). The data presented in Appendix 3 of this report enable many more comparisons, both between rural and urban areas and between individual states or combinations of states.

The preceding analysis focused on central topics documented by the survey data, with the goal of producing a document that is useful to individuals planning the future of Palau. Forthcoming surveys of the republic should provide insights on how Palau income and expenditures vary over time, to augment information currently available on how these phenomena vary over space. It is likely only through examining income and expenditures data across time and space that a complete understanding of the Palau economy at the level of individuals and households will be possible.